

# CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

MARCH 27, 1989



## A DECADE IN DEMOCRACY

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and Brian Lamb

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# CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT MARCH 27, 1989



## INFORMATION

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Brian Lamb, cable's man  
in Washington



Making local sales easier

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## Time Inc.

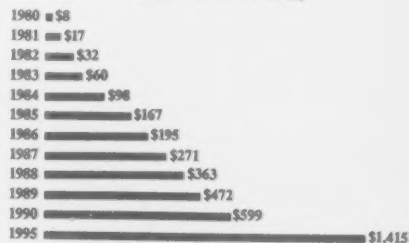


WARNER COMMUNICATIONS

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LOCAL AD SALES:  
80% PROGRESS, 90% PROGNOSIS  
(Dollar amounts in millions)



Source: CAB Cable TV Facts '89/Paul Hagan Associates

The dollars begin to add up

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## MANAGEMENT

### \$1.7 billion in construction forecast in perplexing boom



By Fred Dawson



McCourt Cable workers at an historic site for Cablevision Systems' Boston franchise.

If there was any doubt that the cable industry has shifted gears into a new, asset-building phase of its development, this year's *CableVision* Construction Survey makes the point in dramatic style.

The industry hasn't seen construction activity on the scale of this and last year's pace since the urban wiring boom was at its peak in 1982 and '83. Data supplied by respondents to the survey, representing 51 percent of the subscriber base, indicate 1989 expenditures for newbuild and replacement plant (including upgrades and rebuilds) and for subscriber gear will hit \$1.7 billion, up from \$1.6 billion in '88. The highest yearly outlay ever recorded in *CableVision*'s 14-year tracking of the hardware front was \$1.76 billion, the 1982 total. If 1989 spending comes in on target, it will be the second highest total ever registered, although, discounting for inflation, the pace might not be as high as some of the other banner years of the early '80s.

But, anyway you cut it, 1989 is way ahead of what most people expected, even after last year's heady pace. "In a word," comments Marty Ingram, Anixter Cable TV's vice president of marketing and product management, "things are booming. We had record sales in January. We're seeing inventory being used in the winter months that we'd stocked for spring demand."

The projected expenditures in *CableVision*'s forecast include \$606 million for 34,711 miles of newbuild plant, \$515 million for 74,335 miles of replacement plant and \$580 million for subscriber equipment. Of these categories, only the newbuild plant items are down from the 1988 totals, which showed 39,377 miles were installed at a cost of \$669 million. (See chart, p. 36, for line-by-line comparisons.)

That industry construction is moving at the pace of the early '80s may be hard to accept, even for some veteran observers of the business. In fact, our survey results raised eyebrows in-house, given the fact that last year's construction forecast called for 1988 outlays of \$1.4 billion, representing a \$170 million jump from the previous year. The 1988 forecast projected 26,090 miles of newbuild plant and 60,614

miles of replacement plant, whereas the current survey finds that the newbuild total, at 39,377 miles, was much higher. (Replacement miles in '88, at 62,765, were close to last year's forecast of 60,164 miles.) Overall, total actual expenditures for '88, at \$1.6 billion, were \$200 million ahead of last year's survey forecast and \$370 million or a whopping 30 percent ahead of the \$1.25 billion outlay for 1987.

One party sure to do a double-take on seeing the numbers in the forecast is

Geoff Roman, vice president of marketing at General Instrument Corp.'s Jerrold division. Roman, who characterizes the market for his firm's distribution gear as very strong and likely to stay that way for years to come, says Jerrold's projections for '89 call for about 78,000 to 80,000 total plant miles, including newbuild, rebuild and upgrades, which is well below the 109,046 miles projected in CV's forecast.

But another industry survey, conducted by Paul Kagan Associates and reported in the firm's Jan. 16, 1989, *Cable TV Technology* newsletter, is remarkably close to the CV findings, with total miles pegged at 109,775. The Kagan breakdown of newbuild vs. replacement plant miles also is on track with the *CableVision* survey. Kagan forecasts that newbuild plant will account for 36,142 miles of that total, which compares to 34,711 newbuild miles forecast by

CV (newbuild in both instances includes plant extensions into new territory), leaving 73,633 miles of rebuild and upgrade plant in the Kagan forecast vs. 74,335 miles in the CV forecast.

(It should be noted that, while the Kagan and CV plant mile projections are in agreement, the dollar projections, as always, are at great variance. CV's '89 spending forecast of \$1.7 billion is \$744 million below Kagan's. The disparity is a function of methodology. CV projects its cost figures from a survey that asks for line-by-line dollar amounts, whereas Kagan only asks MSOs for plant mile projections. The Kagan expenditure projections are figured from the firm's per-mile formulations for plant mile costs.)

**A**t a time when the last of the big-city newbuilds are well on their way to completion and the industry, through a fairly aggressive upgrade schedule over the last few years, has brought average system channel capacity to 35 channels nationwide, it's reasonable to ask why things are moving at such a feverish pace. Or, put another way, how can it be that a firm as close as Anixter Cable TV is to MSO demand could be seeing what Ingram terms optimistic projections for '89 blown out before the year is three months along?

Ingram declines to speculate on the causes behind the construction boom, but others are less reticent. While the list of perceived reasons varies from supplier to supplier, virtually all of them put the potential for competition from outside interests at the top of the list. "I think fear of the possibility of teleco entry is driving the market," says Geoff Roman. "There's a thought out there that there might be some competition from the telcos," is the way John Hastings, national marketing manager for CATV products at C-Cor Electronics, begins his response to the question.

Also figuring high on the roster of causes behind the construction boom are other items associated more with the future than any present needs, including expectations that more bandwidth will be needed for HDTV and for various futuristic services that might emerge as a result of demand for interactive services. And there is a snowball effect as some operators act to prepare for such perceived needs, insofar as others, who might not be so responsive to visions of what the future might hold, are responsive to the thought that, if their systems are not keeping pace with evolving state-of-the-art, they could suffer consequences in the marketplace when it comes time to sell their properties.

Whatever the motivations, to those who are accus-



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tomed to making their livings judging MSO demand for hardware it is clear that something more than traditional demand factors are at work. Ingram notes that Anixter's '89 inventory scheduling was based on anticipated increases in business stemming from its merger last year with Cable TV Supply and from the upgrade and newbuild requirements associated with such traditional construction drivers as refranchising, new housing growth and demand for more services. "The surprising leap for us has been in upgrades," he says. "We used to think of upgrades as changeouts of the electronic modules. Now, the upgrading process is slanted more toward rebuild, with people installing new cable, changing out taps and other things common to rebuilds when there's still plenty of life in existing plant."

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As a result, Ingram notes, demand for strand, lashing wires and 12' bolts, harbingers of full-scale cable replacement, "has gone through the roof." Moreover, he adds, the drain on inventory for these products "hit in January rather than in April or May, as we expected."

Such aggressive activity in situations which, on paper, looked like they'd be nothing more than standard upgrades involving a changeout of amps, points to preparations for a future where the technological demands on the basic cable plant are likely to be far greater than the immediate demands associated with a move to 450 MHz, the current norm in upgrade bandwidths. "Cable operators are concerned about the potential of competition," says Bob Ackerman, president of TVC Supply Co., the Hershey, Pa., distributor which recently expanded to nationwide operations with the acquisition of West Coast-based Horizon Cable. "There is obvious overbuilding going on already. Telesat's operation in Florida is not going



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## MANAGEMENT

### CableVision's 14th Annual Construction Forecast

| New plant construction (in miles) | 1988          | 1989          |
|-----------------------------------|---------------|---------------|
| Underground                       | 17,055        | 15,561        |
| Aerial                            | 22,322        | 18,150        |
| <b>Total</b>                      | <b>39,377</b> | <b>34,711</b> |

#### Estimated costs, newbuild construction (\$ in thousands)

|                                                 |                |                |
|-------------------------------------------------|----------------|----------------|
| Antennas and towers                             | \$ 8,409       | \$ 7,682       |
| Microwave equipment                             | 13,054         | 6,564          |
| Headend equipment                               | 41,100         | 49,472         |
| Line amplifiers                                 | 56,082         | 54,073         |
| Cable—trunk and feeder                          | 95,618         | 79,764         |
| Cable—drop                                      | 144,463        | 120,036        |
| Taps and outlets                                | 48,272         | 35,018         |
| Traps                                           | 25,773         | 19,900         |
| Earth stations                                  | 4,198          | 5,545          |
| Commercial insertion equipment                  | 19,609         | 19,612         |
| Other studio and mobile production gear         | 14,636         | 16,336         |
| Construction services (design, make-ready, etc) | 54,937         | 37,162         |
| Construction labor and equipment                | 143,337        | 154,900        |
| <b>Total</b>                                    | <b>669,488</b> | <b>606,064</b> |

#### Replacement plant construction—upgrades and rebuilds (in miles)

|              |               |               |
|--------------|---------------|---------------|
| Underground  | 24,065        | 22,012        |
| Aerial       | 38,700        | 52,323        |
| <b>Total</b> | <b>62,765</b> | <b>74,335</b> |

#### Estimated costs, replacement plant construction (\$ in thousands)

|                                  |                |                |
|----------------------------------|----------------|----------------|
| Antennas and towers              | \$ 6,716       | \$ 8,263       |
| Microwave equipment              | 9,468          | 11,879         |
| Head end equipment               | 30,266         | 37,186         |
| Line amplifiers                  | 94,685         | 118,790        |
| Cable—trunk and feeder           | 107,092        | 129,120        |
| Cable—drop                       | 28,585         | 35,121         |
| Taps and outlets                 | 43,718         | 53,714         |
| Traps                            | 12,293         | 17,560         |
| Construction labor and equipment | 84,074         | 103,296        |
| <b>Total</b>                     | <b>416,897</b> | <b>514,929</b> |

#### Estimated costs, subscriber equipment (\$ in thousands)

|                                              |                |                |
|----------------------------------------------|----------------|----------------|
| Converters, non-addressable                  | \$ 66,650      | \$ 62,969      |
| Converters, addressable                      | 439,669        | 487,450        |
| Off-premise addressable systems              | 4,223          | 5,715          |
| Add-on components (VCR interface, FM hookup) | 15,962         | 23,500         |
| <b>Total</b>                                 | <b>526,504</b> | <b>579,634</b> |

**GRAND TOTAL** 1,612,889 1,700,627

unnoticed by other people. If I were a cable operator, I'd be nervous that other concerns would see an opportunity in situations where the quality of existing service leaves something to be desired."

**B**ut while pre-emption of such activity is driving many operators to push plant ever further into unwired territory, the large competitive issue at work in the construction boom has to do with the telcos' potential to meet franchise authority demands for improved service and advanced technology. This is a big reason why the upgrade process involves more than a simple changeout of amp modules.

"We're hearing a lot of talk about 600 MHz," Ackerman says. "People are gearing toward the necessity for higher bandwidth. Our customers

are looking for cable systems to last longer, in the technological sense, so that what they're building today is expandable in the future."

Ackerman and virtually every other hardware vendor agrees that the current target for the vast majority of upgrade-minded operators is 450 MHz. "We don't see nearly as much 550 MHz activity as the promotion suggests," says Ingram. Hastings agrees, though he sees some recent uptick in 550 MHz activity. "The feedforward amplifier, mostly at 450 MHz, is our hottest product," he says, adding that power doubling modules, employed in the distribution lines, aren't far behind.

Of course, the combination of these amplifier techniques is what has facilitated the surge to 450 MHz without a need for respacing of amplifiers. But the beauty of this

technology for operators is that it also serves as a bridge to the next level of evolution in plant topology, which depends on the introduction of fiber into the trunk lines. As currently envisioned, fiber links will intersect with coaxial trunk at intervals several amplifiers apart, such that, for any given segment of the distribution plant, the number of amplifiers between the headend and the subscriber will be significantly reduced, with current plans calling for anywhere from three- to seven-amplifier cascades.

**A**s noted in the last issue of *CableVision*, such development is underway, with manufacturers working on 750 MHz amplifiers and, in at least one case, 1 GHz (1,000 MHz) amps. According to Geoff Roman, Jerrold will be signaling its intentions to develop higher bandwidth amps with the introduction of new modules at the NCTA convention in May. But, he adds, the type of semiconductors necessary to make such amplifiers a practical alternative have not gone into production at the big hybrid supply houses. "The semiconductors are barely adequate for full-channel loading at 750 MHz with very short cascades," Roman asserts. "We're working with the hybrid manufacturers to push the process along. I think we'll see product emerging that can operate in the limited cascade environment within 15 to 18 months."

David Fellows, vice president and general manager of distribution, headend and earth station systems at Scientific-Atlanta, says his firm, too, is pursuing 750 MHz technology. "But we want to do it with fully integrated product, not on a piecemeal basis," he adds.

A: C-Cor work is underway on a 1 GHz amplifier, which will be demonstrated at the NCTA show. But Hastings says the unit is not meant to be seen as a field-ready piece of

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gear. Instead, it will serve notice to the industry that C-Cor has developed the circuitry for delivering 150 channels of programming in anticipation that the industry will one day be looking for that kind of bandwidth. "We can get to about 860 MHz over a two- or three-amp cascade," he says, "but, fully loaded, the signal quality wouldn't be acceptable to most operators. What we're demonstrating is that we're on the track so that when the hybrids (semiconductors) come along we'll have the product."

With the combination of fiber trunking and semiconductor advances opening the possibility of 1 GHz bandwidth in the not too distant future, cable operators suddenly have the option to be factoring a dramatically expanded vision of the business into their capital expansion plans right now. As a result, as Ingram puts it, the meaning of the word "upgrade" is getting a new definition. "Operators are already looking for passives—splitters, direct couplers and taps—that can accommodate higher bandwidths," comments Hastings. He says C-Cor is being asked to use its high bandwidth amplifier technology to evaluate high-capacity passive devices by operators who want to begin installing such devices.

As for the other major category in *CV*'s construction forecast, namely, subscriber gear, the industry trend toward addressability and away from "plain Jane" boxes is clearly gaining momentum. "We saw a big dropoff in the non-addressable category in 1988," Ackerman notes. "Sales were booming in '87, and then the bottom fell out. We'll see a steady flow in '89 at last year's pace, but it won't be anything like what it was before."

This squares with the *CV* survey findings, which indicate expenditures for non-addressable gear fell

to \$66.7 million in '88 from in excess of \$268 million the year before. The projection for '89 calls for outlays of \$62.9 million.

Addressable gear, in contrast, has taken off, with expenditures of \$439.7 million registered in '88, against \$303.4 million in '87. For '89, the

forecast is that operators will spend a whopping \$487 million in this category. Here, again, the signal is that operators are looking for ever more bandwidth, given the fact that pay-per-view is the big driver behind addressability. ■

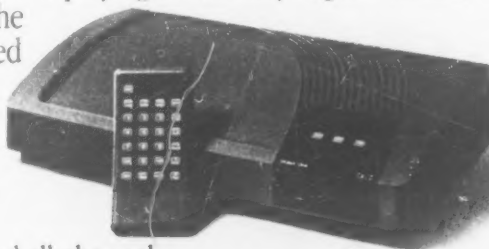
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# ADVERTISING

## In search of the right avails



By Wayne Friedman

Today "reach" and "frequency" aren't the only buzzwords on advertisers lips. *Larry King Live* and *Miami Vice* are as well. And just as the cable networks themselves are attracting more advertisers through certain high-profile programming, so, too, are the local system ad sales managers.

Local cable advertisers, either those national companies that buy cable on a spot basis, such as a General Motors, or a local auto dealer, finally are treating cable like their bigger and more powerful over-the-air station brothers. "They are getting (to treat cable) just like television," says Harry Durando, director of sales for the New York Interconnect, in reference to advertisers' cable buying habits. "They don't want rotations." In rotation or run of schedule (ROS) buys, an advertiser places a spot that would appear throughout the day, without much regard to individual programs. But Durando says buying cable now "is getting more sophisticated."

And cable still is a medium used by advertisers to compensate for underdelivery of over-the-air stations in cable homes. "Advertisers want frequency (from cable)," says Dan Camie, ad sales manager at United Cable Advertising in Boise, Idaho. "We are giving him extended coverage to get into a new audience."

Plenty of cable inventory can indeed accomplish this, even when



Brenda Blackburn, local ad sales manager with  
The Weather Channel

some operators, like Camie, restrict themselves to selling certain dayparts. Camie's Boise system sells on a 6 a.m. to midnight schedule. Still, over the last two months, Camie says, CNN has been 60 percent sold out, and ESPN was in the 60-70 range. "We've got lots of inventory we don't sell," says Camie.

Bob Williams, president of National Cable Advertising, which sells time on local systems to national advertisers, confirms that "the bulk of cable inventory goes unsold" for national advertisers as well.

Individual programs with high profiles then become more attractive and command a premium. That's why NBA basketball, which will migrate to Turner Network Television starting next season, is so

important. Very few systems currently have insertion equipment for the network, a situation that is expected to change by next year.

Hastening that commitment by local operators to become capable of inserting ads on TNT is the network's generous delivery of local ad avails. Departing from the usual two minutes an hour most networks hand operators, TNT is delivering four minutes of local advertising time. CNBC is also enticing operators with more avails, offering three minutes. By having these extra avails and new niche channels, says NCA's Williams, "It gives you more things to talk about, and more possibilities for advertisers."

All this might not seem to make sense. On the one hand operators say they do not regularly sell out local inventory, but on the other they say they are in desperate need of more time. The explanation is that system ad managers need the *right kind* of avails. What advertiser, whether buying time on over-the-air TV or on cable, is clammering for early-morning or some daytime slots? The need, then, is in certain dayparts, such as prime time, or for particular high-profile programs.

Ron Fischmann, vice president and director of local sales for the Cabletelevision Advertising Bureau, says "We need more avails. We could use four to five minutes (per hour) on every network. We sell a

# ADVERTISING

lot of reach and frequency; we never get big ratings. We like to sell bulk." Fischmann says this is especially true on the noon to midnight time period. It means even when advertisers are attracted to ESPN's NFL package, it won't be the only programming that's bought.

Fischmann says with the arrival of the NBA on TNT later this year, plus the voluminous baseball package of 175 games starting in 1990, "Many systems will be packaging NBA, NFL, and Major League Baseball year round." Demand for these sporting events is high, and operators already are reporting they are either sold out or nearly so for NFL games for the coming season.

This could lead to local cable advertising sales rising to \$535 million for the coming year, says Fischmann, from around \$363 million in 1988, a 32 percent hike. Where local cable ad sales represented 25 percent of all cable advertising in 1988, it will swell to 32 percent by 1995.

**W**ell before then many cable networks hope to be added to cable systems' local advertising package. The "core four," as cable advertisers term CNN, ESPN, MTV and USA, is no longer the standard by which to measure what networks cable systems sell, according to CAB's Fischmann. He says systems typically sell time on six to eight

LOCAL AD SALES:  
80s PROGRESS, 90s PROGNOSIS  
(Dollar amounts in millions)



Source: CAB Cable TV Facts '89/Paul Kagan Associates

networks, including Lifetime, The Nashville Network, Arts and Entertainment and The Weather Channel. Regional sports networks also are prominently displayed.

The Weather Channel is "at the moment considered a secondary" network in line for insertion by systems, says Brenda Blackburn, local ad sales manager of the channel. Only 15 percent of its affiliates are able to sell local avails on the network. A reorganization of the department, and the opening of new regional offices, are part of the plan to encourage affiliates to sell time on the network. "The benefit to us is that it increases the value of the network and increases the chance of carriage," she says.

Lifetime also hopes to break out of the pack of secondary networks for local insertion by highlighting its strong female appeal that could attract local department stores as well as local auto dealers. According to Bill Padalino, vice president of sales and administration for Life-

time, only 25 percent of its affiliates insert local ads in the network.

It will be a hard fight because, ad agencies executives say, there already is a nearly full complement of popular audience-targeted networks available locally. ESPN skews to men; CNN targets older men and women; MTV obviously has younger viewers, while USA appeals to

a broad mixture of men and women. These networks make up the majority of the 2,000 systems which insert local ads, and represent 70 percent of all cable subscribers.

**T**here also are ratings problems. Savvy local and national advertisers accustomed to buying by the numbers demand it, but some systems can't provide them that information. Operators say ratings are a hinderance to selling cable, detracting from the "environment sell" of each niche network. To local advertisers, "they just want to hear the cash register ringing," says Dave O'Brien, general manager of Cable AdNet in Pittsburgh. "Numbers basically tell them what they should have bought a month ago."

Ratings are not the biggest headache, though, says Fischmann. It is getting more systems to join major market interconnects. National advertisers especially don't want to buy just a piece of the cable universe in a particular market. ■

## QUARTERLY EARNINGS CHART

| Company<br>(Quarter/Fiscal Year) | Dollar amount in thousands |         |                  |         |            |         |
|----------------------------------|----------------------------|---------|------------------|---------|------------|---------|
|                                  | Revenues                   | %Change | Operating Profit | %Change | Net Income | %Change |
| Microwave Filter<br>(1st/89)     | \$ 1,540                   | 49.6    | N.A.             | N.A.    | \$ 145     | 669.2   |
| Oak Industries<br>(4th/88)       | 49,918                     | 6.8     | 5,044            | 82.9    | 5,094      | 82.9    |
| Turner Broadcasting<br>(4th/88)  | 224,794                    | 16      | 28,661           | -7      | -18,097    | 33      |

Showtime, Z Channel, and The Disney Channel.

Long term, however, the combined company's resources will give it crucial programming and marketing flexibility in a fast changing

global marketplace.

Says Bear Stearns's Kukowski: "It will be a strategic advantage to have a strong source of programing in the increasingly competitive media environment that I envision in the 1990s." ■

## NOTES

## Financial/Stocks

● **WestMarc Communications** generated \$118.3 million in fiscal 1988 revenues, compared with \$101.7 million last fiscal year. But on a net basis the company lost \$11.9 million, compared to \$9 million in 1987 net earnings. Increased interest expense related to system acquisitions and several microwave contract cancellations forced the net loss. Company officials did not provide a breakdown of 1988 fourth quarter results.

● **Turner Network TV's** first financial numbers are in; the service accumulated \$14.7 million in start-up operating losses and received \$3.7 million in ad billings during its first three months from October to December. Despite the TNT outcome, Turner Broadcasting reported higher revenues and a reduced overall net loss for fourth quarter 1988 (see chart).

● **First AmeriCable Corp.** has retained Daniels & Associates to evaluate the MSO's system portfolio and make recommendations accordingly. S.D. Butler, vice president and CFO of First AmeriCable, said the company is considering the sale of one or all of its franchises as an option, pending the result of Daniels' evaluation. Warner Cable owns a minority interest in First AmeriCable, which manages systems in six states.

● One of the companies **First AmeriCable** is about to take over has been fined \$35,000 for continued bonding/grounding violations by the N.Y. State Commission on Cable TV. Cable TV of Central N.Y. was fined for failing to clear a commission-

SOLD

February, 1989

## REDDEN ENTERPRISES, INC.

has sold its cable television assets passing over 7,000 homes and serving 4,000 basic subscribers in Arapaho, Burns Flat, Camargo, Comanche, Meridian, Seiling, Temple, Thomas, Vici, and Walters, Oklahoma and Follett, Texas.

## MISSION CABLE COMPANY, L.P.

The undersigned represented Redden Enterprises, Inc. in this transaction.



Hardesty, Puckett &amp; Company

COMMUNICATIONS BROKERAGE AND INVESTMENT BANKING

## SAN DIEGO OFFICE

16236 San Dieguito Road  
Bldg. 1, P.O. Box 9063  
Rancho Santa Fe, CA 92067  
(619) 756-4244

## MIDWEST OFFICE

2947 Wanamaker Drive  
Suite D  
Topeka, KS 66614  
(913) 273-0017

# Top 100 MSO's

| Rank    | Multiple system operator                   | Basic subs |         |          |                                     |                 |
|---------|--------------------------------------------|------------|---------|----------|-------------------------------------|-----------------|
| 1       | TeleCommunications Inc.                    | 5,977,790  | (12/88) | 53.      | Insight Communications              | 152,000 (12/88) |
| 2       | American Television & Communications Corp. | 4,000,000  | (2/89)  | 54.      | Armstrong Utilities                 | 149,000 (1/89)  |
| 3       | Continental Cablevision                    | 2,346,000  | (1/89)  | (61) 55. | King Videocable                     | 141,158 (1/89)  |
| (1) 4   | Storer Cable Communications                | 1,530,700  | (1/89)  | 56.      | Triax Communications                | 141,000 (6/88)  |
| (1) 5   | Warner Cable Communications                | 1,529,000  | (1/89)  | 57.      | Cable Systems USA                   | 133,959 (12/88) |
| 6       | Cox Cable Communications                   | 1,472,300  | (1/89)  | 58.      | Northland Communications            | 133,602 (12/88) |
| 7       | Comcast                                    | 1,436,000  | (1/89)  | 59.      | Summit Communications               | 132,713 (12/88) |
| (12) 8  | Cablevision Systems Corp.                  | 1,334,601  | (3/89)  | 60.      | Bresnan Communications              | 127,351 (1/89)  |
| (1) 9   | United Cable                               | 1,273,000  | (10/88) | (63) 61. | Booth Communications                | 119,000 (1/89)  |
| 11      | Newhouse Broadcasting                      | 1,123,634  | (12/88) | 62.      | Sonic Communications                | 118,000 (12/88) |
| (10) 12 | Jones Interable                            | 1,111,212  | (2/89)  | (55) 63. | McDonald Group                      | 114,900 (1/89)  |
| (14) 13 | Heritage Communications                    | 1,078,085  | (12/88) | (66) 65. | Sisquibanna Broadcasting            | 112,205 (12/88) |
| (16) 14 | Times Mirror Cable TV                      | 997,156    | (1/89)  | (65) 66. | United Video Management             | 103,500 (1/89)  |
| (13) 15 | Viacom Cable                               | 950,000    | (2/89)  | 67.      | Pencor Services                     | 96,678 (12/88)  |
| (15) 16 | Cablevision Industries                     | 911,115    | (2/89)  | 68.      | First Carolina Communications       | 96,000 (1/89)   |
| 17      | Sammons Communications                     | 849,287    | (2/89)  | (70) 69. | WEHCO Video                         | 91,000 (1/89)   |
| 18      | Centers Communications                     | 774,439    | (12/88) | 70.      | Omega Communications                | 90,500 (3/88)   |
| (21) 19 | Adelphia Communications                    | 714,000    | (1/89)  | (69) 71. | Selkirk Communications              | 74,428 (6/88)   |
| 20      | Cooke Cablevision                          | 710,000    | (1/89)  | 72.      | Casual Communications               | 74,000 (12/88)  |
| (19) 21 | Paragon Communications                     | 703,000    | (1/89)  | 73.      | Gilbert Media                       | 72,000 (12/88)  |
| 22      | Falcon Cable TV                            | 630,000    | (12/88) | (75) 74. | Chambers Communications Corp.       | 63,530 (12/88)  |
| 23      | Genel Cable                                | 582,623    | (1/89)  | (76) 75. | Douglas Communications              | 60,000 (1/89)   |
| 24      | Teletel                                    | 570,000    | (1/89)  | (77) 76. | Cardinal Communications             | 58,900 (12/88)  |
| 25      | NewMar Communications                      | 549,923    | (2/89)  | (78) 77. | James Cable Partners                | 58,811 (12/88)  |
| 26      | Rogers CableSystems Inc.                   | 529,708    | (12/87) | (79) 78. | Hearst Communications Of California | 57,410 (12/88)  |
| 27      | Scripps-Howard                             | 523,000    | (1/89)  | (80) 79. | Prestige Cable TV Inc.              | 56,514 (12/88)  |
| (31) 28 | Multivision Cable TV                       | 481,000    | (1/89)  | (81) 80. | C-TEC Cable Systems                 | 56,250 (12/88)  |
| 29      | Tele-Media                                 | 464,576    | (1/89)  | (87) 81. | Barden Cablevision                  | 55,000 (1/89)   |
| (28) 30 | Prime Cable                                | 455,123    | (12/88) | 82.      | Joseph Gans Cable TV                | 54,000 (12/88)  |
| (80) 31 | Post-Newsweek Cable                        | 400,000    | (1/89)  | 83.      | State Cable TV                      | 53,700 (12/88)  |
| 32      | Leifelt Group                              | 350,000    | (1/89)  | 84.      | Pagnotti Inc.                       | 52,590 (12/88)  |
| 33      | FLX Group                                  | 337,999    | (1/88)  | 85.      | Telesat Cablevision Inc.            | 52,590 (12/88)  |
| 34      | Maclean Hunter Cable TV                    | 331,599    | (12/88) | (88) 86. | Bachow & Elkin Communications       | 51,700 (1/89)   |
| 35      | Multimedia Cablevision                     | 318,300    | (1/89)  | (89) 87. | Comard Communications               | 51,700 (12/88)  |
| 36      | Rubin & Associates                         | 304,000    | (12/88) | (90) 88. | Galaxy Cablevision                  | 50,612 (12/88)  |
| 37      | Galaxy Communications                      | 301,576    | (12/88) | (91) 89. | Helicon Corp.                       | 50,000 (3/88)   |
| 38      | TKR Cable                                  | 268,195    | (12/88) | (92) 90. | New England Cablevision             | 48,800 (1/89)   |
| 39      | Western Communications                     | 262,100    | (1/89)  | (74) 91. | Rock Associates                     | 46,800 (1/89)   |
| 40      | Star Cablevision Group                     | 254,000    | (1/89)  | 92.      | Dorsey Media Group                  | 46,585 (12/88)  |
| 41      | Sammons Communications                     | 246,690    | (1/89)  | (94) 93. | CableSouth Inc.                     | 41,537 (12/88)  |
| 42      | Gencom Cable                               | 238,168    | (2/89)  | (95) 94. | Eastern Connecticut Cable TV        | 41,444 (9/88)   |
| 43      | Communications Service Inc.                | 228,526    | (12/88) | (93) 95. | CableAmerica                        | 41,000 (1/89)   |
| 44      | Hauser Communications                      | 226,000    | (1/89)  | 96.      | Fench Communications                | 41,000 (11/88)  |
| 45      | Service Electric Cable TV Inc.             | 220,000    | (8/88)  | 97.      | Acton Corp.                         | 40,200 (11/88)  |
| 46      | Greater Media                              | 183,627    | (11/88) | 98.      | Star Cable Associates               | 40,000 (12/88)  |
| 47      | Media General                              | 170,000    | (1/89)  | 99.      | Cable Holdings Inc.                 | 36,200 (12/88)  |
| 48      | Hartford Communications                    | 167,261    | (12/88) | 100.     | ParCable                            | 35,210 (12/88)  |
| 49      | Sutton Capital Group                       | 167,000    | (12/88) |          |                                     |                 |
| 50      | Columbia International                     | 166,423    | (12/88) |          |                                     |                 |
| 51      | Palmer Communications                      | 165,968    | (2/89)  |          |                                     |                 |
| 52      | U.S. Cable Corp.                           | 152,000    | (12/88) |          |                                     |                 |

( ) Rank last listing

Subscriber counts are provided by MSOs and systems to Cable Vision. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to Cable Vision, 432 Park Avenue So., Suite 1101, New York, NY 10016.

# Top 100 Systems

| Rank | Location                       | Operator                  | Basic subs |         |      |                         |                        |         |         |
|------|--------------------------------|---------------------------|------------|---------|------|-------------------------|------------------------|---------|---------|
| 1    | Woodbury (Long Island), NY     | Cablevision Systems Corp. | 455,643    | (3/89)  | 51.  | Naples, FL              | Palmer                 | 100,321 | (1/89)  |
| 2    | Orlando/Melbourne, FL          | ATC                       | 298,000    | (2/89)  | 52.  | Boston, MA              | Cablevision Systems    | 100,267 | (3/89)  |
| 3    | San Diego, CA                  | Cox Cable                 | 284,343    | (3/88)  | 53.  | Brooklyn/Queens, NY     | Warner                 | 100,000 | (1/89)  |
| 4    | Manhattan, NY                  | ATC                       | 225,000    | (12/88) | 54.  | Richmond, VA            | Continental            | 97,935  | (1/89)  |
| 5    | San Antonio, TX                | Rogers CableSystems       | 221,894    | (12/87) | 55.  | Tacoma, WA              | Viacom                 | 99,000  | (6/88)  |
| 6    | East Orange, NJ                | Maclean Hunter            | 203,117    | (5/88)  | 56.  | Indianapolis, IN        | Comcast                | 97,790  | (6/88)  |
| 7    | Puget Sound, WA                | Viacom                    | 203,000    | (6/88)  | 57.  | Pittsburgh, PA          | TCI                    | 96,712  | (1/89)  |
| 8    | Phoenix, AZ                    | Times Mirror              | 200,000    | (10/88) | 58.  | Escondido, CA           | Times Mirror           | 96,519  | (4/88)  |
| 9    | Houston, TX                    | Warner                    | 196,800    | (1/89)  | 59.  | Jackson, MS             | ATC                    | 96,000  | (12/88) |
| 10   | Honolulu, HI                   | ATC                       | 194,000    | (3/88)  | 60.  | Dade-Broward County, FL | Storer                 | 94,577  | (5/88)  |
| 11   | Hartford/Plainville/Vernon, CT | United                    | 172,289    | (5/88)  | 61.  | Worcester Complex, MA   | Greater Media          | 92,148  | (12/88) |
| 12   | Wayne, NY                      | TA CableSystems           | 169,953    | (2/89)  | 62.  | Greensboro, NC          | ATC                    | 91,000  | (12/88) |
| 13   | Chicago (suburbs), IL          | Continental               | 168,000    | (4/88)  | 63.  | Nashville, TN           | Viacom                 | 90,000  | (6/88)  |
| 14   | Louisville/Jeff. Co., KY       | Storer Communications     | 163,722    | (5/88)  | 64.  | Tampa, FL               | Paragon                | 90,000  | (10/88) |
| 15   | Cleveland (suburbs), OH        | Cablevision Systems       | 164,353    | (3/89)  | 65.  | Chicago, IL             | Group W                | 89,500  | (7/88)  |
| 16   | Cincinnati, OH                 | Warner                    | 163,552    | (1/89)  | 66.  | Milwaukee, WI           | Warner                 | 88,126  | (5/88)  |
| 17   | Rochester, NY                  | ATC                       | 163,000    | (10/88) | 67.  | Wichita, KS             | Multimedia             | 87,351  | (1/89)  |
| 18   | Cherry Hills, NJ               | NYT                       | 162,000    | (1/89)  | 68.  | Las Vegas, NV           | Prime Cable            | 86,852  | (5/88)  |
| 19   | Denver (suburbs), CO           | United                    | 161,002    | (5/88)  | 69.  | Orange County, CA       | Times Mirror           | 86,607  | (4/88)  |
| 20   | Hampton Roads, VA              | Cox Cable                 | 158,003    | (3/88)  | 70.  | Dover/Morrisstown, NJ   | Sammons                | 82,871  | (5/88)  |
| 21   | Fairfax, VA                    | Media General             | 157,000    | (11/88) | 71.  | Portland, OR            | Rogers                 | 82,587  | (6/88)  |
| 22   | Tulsa, OK                      | United                    | 153,954    | (12/88) | 72.  | Harrisburg, PA          | Sammons Communications | 82,334  | (5/88)  |
| 23   | Connetquot Complex             | Cablevision Systems       | 153,659    | (3/89)  | 73.  | Fresno, CA              | Continental            | 82,103  | (12/88) |
| 24   | Atlanta, GA                    | Prime Cable               | 153,557    | (3/88)  | 74.  | Fayetteville, NC        | ATC                    | 82,000  | (12/88) |
| 25   | Jacksonville, FL               | Continental Cablevision   | 153,000    | (4/88)  | 75.  | Orange County           | Rogers                 | 81,664  | (1/89)  |
| 26   | Kansas City, MO                | ATC                       | 147,000    | (2/89)  | 76.  | South Bend, IN          | Heritage               | 80,776  | (5/88)  |
| 27   | San Jose/Campbell, CA          | Heritage                  | 140,000    | (1/89)  | 77.  | Oakland County, MI      | United                 | 80,564  | (5/88)  |
| 28   | Memphis/W. Memphis, TN         | ATC                       | 140,000    | (12/88) | 78.  | New Orleans, LA         | Cox Cable              | 80,348  | (3/88)  |
| 29   | Charlotte, NC                  | ATC                       | 139,000    | (12/88) | 79.  | Indianapolis, IN        | ATC                    | 80,000  | (12/88) |
| 30   | Pompano, FL                    | Continental               | 136,793    | (2/89)  | 80.  | Independence, MO        | Jones                  | 79,897  | (11/88) |
| 31   | Baltimore County, MD           | Comcast                   | 136,096    | (6/88)  | 81.  | Baton Rouge, LA         | UA CableSystems        | 79,586  | (4/88)  |
| 32   | Manhattan, NY                  | Paragon                   | 136,000    | (4/88)  | 82.  | Albuquerque, NM         | Jones Intercable       | 79,199  | (10/88) |
| 33   | St. Louis, MO                  | Gencom                    | 133,171    | (2/89)  | 83.  | Akron, OH               | Warner                 | 79,070  | (5/88)  |
| 34   | Buffalo, NY                    | Adelphia Communications   | 132,801    | (3/88)  | 84.  | Hillsborough, FL        | Paragon                | 79,000  | (4/88)  |
| 35   | San Diego, CA                  | ATC                       | 132,000    | (12/88) | 85.  | Columbus, OH            | Warner                 | 78,454  | (5/88)  |
| 36   | Martin/Stuart Co., FL          | Centel                    | 126,034    | (1/89)  | 86.  | Allentown, PA           | Service Electric       | 78,000  | (12/88) |
| 37   | San Francisco, CA              | Viacom                    | 123,000    | (6/88)  | 87.  | St. Petersburg, FL      | Paragon                | 78,000  | (4/88)  |
| 38   | Seattle, WA                    | TCI                       | 120,518    | (1/89)  | 88.  | Medford Complex         | Warner                 | 77,167  | (5/88)  |
| 39   | Austin, TX                     | ATC                       | 120,000    | (12/88) |      | Boston Suburbs, MA      |                        |         |         |
| 40   | Warren, NJ                     | TKR                       | 116,174    | (2/89)  | 89.  | South Texas, TX         | Heritage               | 77,160  | (5/88)  |
| 41   | Toledo, OH                     | Blade Communications      | 108,861    | (5/88)  | 90.  | Pleasant Hill, CA       | WestMar                | 73,692  | (1/89)  |
| 42   | Dallas, TX                     | Heritage                  | 107,680    | (5/88)  | 91.  | Providence/Warwick, RI  | Times Mirror           | 73,605  | (5/88)  |
| 43   | San Juan, PR                   | Multivision Cable         | 106,450    | (12/88) | 92.  | Omaha, NE               | Cox Cable              | 73,361  | (3/88)  |
| 44   | Chicago Suburbs, IL            | Centel                    | 106,321    | (1/89)  | 93.  | Flint, MI               | Comcast                | 72,923  | (6/88)  |
| 45   | Southwest Michigan             | Comcast                   | 104,803    | (6/88)  | 94.  | Little Rock, AR         | Storer                 | 72,681  | (5/88)  |
| 46   | Raleigh/Durham, NC             | ATC                       | 104,000    | (12/88) | 95.  | Ocean County, NJ        | Adelphia               | 72,355  | (3/88)  |
| 47   | Grand Rapids, MI               | UA CableSystems           | 103,661    | (6/88)  | 96.  | W. San Fernando Va., CA | CV Industries          | 72,164  | (2/89)  |
| 48   | Wilmington, DE                 | Heritage                  | 103,255    | (5/88)  | 97.  | Lincoln, RI             | Heritage               | 71,625  | (5/88)  |
| 49   | Jefferson Parish/Kenner, LA    | Cox Cable                 | 101,919    | (3/88)  | 98.  | Santa Monica, CA        | Century                | 71,000  | (2/89)  |
| 50   | Pinellas County, FL            | Newhouse                  | 100,614    | (6/88)  | 99.  | Oklahoma City, Ok.      | Cox Cable              | 70,371  | (3/89)  |
|      |                                |                           |            |         | 100. | Des Moines, IA          | Heritage               | 70,148  | (5/88)  |

# NOTE

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